

# Professional Indemnity Insurance - FactSheet

## Professional Indemnity Insurance - Advice on reporting Professional Indemnity claims

If you become aware of any claims or circumstances which could lead to a claim being made, you must notify your insurers immediately and in writing. Failure to do so could prejudice your position. Notifiable circumstances cannot easily be categorised. Many situations can be recognised as potential claims before they actually become formal legal actions. You should look carefully at the notification provisions of your cover and be sure to follow them.

Danger signs include:

1. A verbal complaint from a dissatisfied customer or a threat of “taking the matter further”.
2. A letter of complaint alleging neglect, error or omission.
3. A customer refusing to settle or delaying settlement of an account for an unreasonable length of time.

These are indications of the type of circumstances that might arise but are not fully exhaustive.

If you are in any doubt as to whether a particular situation constitutes something that should be notified to your insurers, it is probably best to notify it in order to keep your interests protected.

Apart from notifying your broker immediately when you become aware of a “circumstance” you should be careful not to prejudice you or your Insurers’ position. This means that, ideally, you should do nothing.

If you must say anything, say that you are “looking into the problem” or some such holding remark or letter. Sometimes, what you can see as a very sensible step to take might, with hindsight, appear to have made the situation worse. This might leave you without insurance if the move was not sanctioned by your Insurers.

You should inform your broker immediately if there are changes to your business. Arrangements can then be made to amend your cover, if necessary. Failure to do this could lead to an uninsured loss. Only you know everything about your business, so the responsibility for full disclosure of information, both before and after cover commences, is yours. You should therefore check the accuracy of the information that you have provided.

For more information about professional Indemnity insurance, please contact Tony Gibbs on 0118 9452944.